VZCZCXRO7640

PP RUEHLH RUEHPW

DE RUEHIL #7629/01 1211145

ZNY SSSSS ZZH

P 011145Z MAY 06 ZUI SECSTATE SERVICE DESK 00070

FM AMEMBASSY ISLAMABAD

TO RUEKJCS/SECDEF WASHINGTON DC PRIORITY

RUEHC/SECSTATE WASHDC PRIORITY 6844

INFO RUEHKP/AMCONSUL KARACHI PRIORITY 0787

RUEHLH/AMCONSUL LAHORE PRIORITY 8610

RUEHPW/AMCONSUL PESHAWAR PRIORITY 6427

RUEKJCS/JOINT STAFF WASHINGTON DC PRIORITY

RHWSMRC/USCINCCENT MACDILL AFB FL PRIORITY

S E C R E T SECTION 01 OF 05 ISLAMABAD 007629

SIPDIS

SIPDIS

KABUL - PLEASE PASS TO CFC-A OSD - PLEASE PASS TO CARA NEGRETTE

E.O. 12958: DECL: 04/28/2016
TAGS: MASS MCAP MOPS PGOV PK PREL
SUBJECT: POLITICAL AND SECURITY ASSISTANCE SCENESETTER FOR
DEFENSE CONSULTATIVE GROUP MEETINGS

ISLAMABAD 00007629 001.2 OF 005

Classified By: Charge d'Affaires Peter W. Bodde, Reasons 1.4 (b) and (d)

11. (U) In anticipation of the U.S.-Pakistan Defense Consultative Group (DCG) meetings in Washingont May 1-5, Embassy Islamabad offers the following snapshots of political and security assistance developments in Pakistan.

U.S.-Pakistan Strategic Partnership

12. (S) During his March visit to Pakistan, President Bush launched a U.S.-Pakistan Strategic Partnership. This initiative has been institutionalized in the framework of a Strategic Dialogue that incorporates discussions on: economic growth and prosperity, energy cooperation, peace and security, social sector development, science and technology, democracy, and non-proliferation. In the wake of President Bush's visit, and with the prospect of a U.S.-India civil nuclear deal, Pakistan's political class has been wracked by a bout of insecurity and "me-tooism." Even President Musharraf has complained privately that there is now a public perception that the U.S. is distancing itself from him. The inaugural meeting of the Strategic Dialogue, which were held in Washington from April 26-27, should help reassure Pakistan of the breadth and depth of our long-term commitment.

The Cartoon Controversy

13. (C) In February and early March, tens of thousands of Pakistani demonstrators took to the streets to protest the publication of the Danish cartoons. Early rallies in Lahore and Peshawar were particularly destructive, with rampant looting and vandalism in parts of downtown Lahore and Peshawar and six protesters killed. Although demonstrations followed across Pakistan, enhanced security measures by the Government of Pakistan (GOP) prevented any repetition of the unrestrained violence seen in February. Over time, the protests took on a greater political tone, as opportunistic politicians sought to embarrass the Musharraf government. The protests have died out but it took Federal government intervention to quell them. The DCG discussions present an opportunity to remind the Pakistani people that the United States understands the sentiments of the Muslim community and that, although we strongly support freedom of expression, we also believe the press should behave responsibly.

54 (T) The C + 1 C + 1 C + 1

¶4. (U) The October 8 earthquake (7.6 on the Richter scale) in Azad Jammu and Kashmir (AJK) and the North West Frontier Province (NWFP) was the strongest to hit the region in over a century. The GOP estimates that more than 73,000 died in the quake, with more than 69,000 wounded and some 2.8 million left homeless. The United States had been Pakistan's most visible international partner in delivering emergency relief during the sixth month effort.

- ¶5. (U) The U.S. military, which had been on the ground since October 10, concluded its relief operations on March 31. At the peak of initial relief efforts, more than 1,200 personnel and 24 helicopters provided vital transport, logistics, and medical and engineering support in affected areas. As we wrapped up our military relief operations, we donated more than USD 2.5 million in medical equipment to Pakistani counterparts. Our Seabee unit also left behind 25 pieces of heavy construction equipment as a donation to Pakistani military engineers.
- 16. (U) The U.S. military and USAID collaborated closely on the civilian relief effort, with the military providing logistics and USAID working with NGOs to deliver supplies and services to camps and villages. USAID provided more than USD 60 million in additional humanitarian assistance through NGOs and the United Nations, including the donation of blankets, tents, plastic sheeting and shelter kits to the affected population. In March, USAID made its first reconstruction grant of USD 15 million to rebuild schools and hospitals. In total, the USG has pledged USD 510 million for earthquake relief and reconstruction efforts. The U.S. private sector is also engaged. A consortium of CEOs (GE, Pfizer, Citigroup, Xerox and UPS) is spearheading the South Asia Earthquake Relief Fund, which has already attracted approximately USD 24 million. Independent estimates place

ISLAMABAD 00007629 002.3 OF 005

total U.S. private donations at over USD 130 million.

17. (C) Our prompt and generous response sparked a perceptible shift in Pakistani attitudes about the United States that has improved bilateral relations at official levels. The cooperation between U.S. and Pakistani military personnel has palpably reduced suspicions at the middle and upper ranks of the Pakistani army. Throughout the draw-down of our military presence, we emphasized that our transition parallels the shift from emergency relief toward the civilian reconstruction phase of the recovery effort. The Pakistanis, who have long been convinced that we are fair-weather friends, are beginning to understand that we are committed to a long-term relationship.

Democratization

18. (C) President Musharraf has committed - publicly and privately - to move Pakistan toward a civilian-led democracy by the next national elections, which must be held by 2007. The government must address significant organizational issue

by the next national elections, which must be held by 2007. The government must address significant organizational issues before the 2007 national elections, but it has taken an important initial step with the March appointment of a permanent, independent election commissioner acceptable to all mainstream parties. At the operational level, USAID supports democratization efforts with programs to promote institutional development of the courts, the legislatures, and the political parties.

19. (C) Press commentary following A/S Boucher's April 4-6 visit to Pakistan gave considerable attention to his public remarks, including his observation that the United States believes in civilian leadership of the military. GOP officials have voiced concern that this is creating the false impression that the U.S. is distancing itself from teh President. In any public or private remarks, DCG participants will want to underscore our strong relationship with President Musharraf and his government, noting our

appreciation for his contributions in the war on terror, his efforts to improve relations with India and the steps he has taken to advance democracy in Pakistan, such as freedom of the press and the appointment of an Independent Election Commissioner.

Afghanistan

110. (S) The roller-coaster relationship between Afghanistan and Pakistan continues to suffer from mutual suspicion and recrimination, with Afghans concerned about cross-border infiltration and Pakistan worried that India is using its assets in Afghanistan to destabilize Balochistan. President Musharraf, his government and military leaders recognize Pakistan must support the Karzai government as it attempts to solidify its control over the country. To that end, the Government is committed to cooperating on operational security matters with the Afghan government and coalition forces through regular Tripartite Commission meetings. That said, the two leaders have difficulty restraining themselves from engaging in destructive public rhetoric in which each blames the other for not doing enough to effectively prosecute the battle against their common enemies in the tribal areas along the border.

India and Kashmir

111. (S) President Musharraf and his senior advisors say that they have made a strategic decision to end the Kashmiri militancy; even Indian officials acknowledge the level of violence and cross-border infiltration has declined (though some New Delhi officials attribute this to Indian security measures). President Musharraf believes the GOP's ability to control Kashmiri militants will be greatly enhanced if there is measurable progress with India on Kashmir. He has specifically pushed for a withdrawal of Indian forces from key population centers in Indian-administered Kashmir (a demand viewed with great skepticism in New Delhi). President Musharraf has privately signaled flexibility on the final status of Kashmir, but in public remains steadfast in rejecting the Line of Control (LOC) as a permanent international boundary. Indian Prime Minister Manmohan Singh has said that New Delhi is not afraid to discuss pragmatic solutions to make the LOC less-relevant in people's lives, but has also chided Pakistan for holding normalization of

ISLAMABAD 00007629 003.2 OF 005

bilateral relations hostage to a final resolution of the Kashmir dispute. Limited measures following the October earthquake to facilitate cross-LOC travel and communication have the potential to change the dynamic in Kashmir and may accelerate internal pressure on Islamabad and New Delhi to create additional space for interaction between Kashmiris in India and Pakistan.

- 112. (C) While there has been little progress on core issues relating to Kashmir, senior Indian and Pakistani officials meet regularly through the Composite Dialogue process, which has produced some confidence-building measures, including a pre-notification agreement for ballistic missile launches and the opening of five bus and two train routes between the two countries. India and Pakistan have also, after 17 years, revived the Joint Commission to provide a forum for discussions on technical issues such as science and technology, information technology, telecommunications, and tourism. The Pakistani Federal Investigation Agency and the Indian Central Bureau of Investigation recently initiated discussions aimed at promoting cross-border cooperation on human trafficking, currency counterfeiting, and illegal immigration.
- 113. (S) India has long resisted the involvement of third parties in settling the Kashmir issue. Senior Pakistani leaders understand that any move toward a direct mediating role by the U.S. would be counterproductive, and President Musharraf was pleased by President Bush's statement calling

for a peaceful resolution of the dispute on terms acceptable to Pakistan, India, and the people of Kashmir. As many Pakistani civilian and military officials share the public's perception that the U.S. should lean on New Delhi to facilitate a settlement, DCG participants should be prepared to respond to calls for greater USG involvement by citing President Bush's even-handed remarks.

Global War on Terrorism

114. (S) Pakistan deserves commendation for standing with us in the global war on terror, including its efforts to deny al Qa'ida and other extremist elements safe haven in Pakistan's untamed tribal areas along the Afghan border. Following the GOP's decision to extend central government control into the FATA (historically a "no go" region for government forces), we have regularly encouraged Pakistani security forces to stay the course in the face of armed resistance. Since December 2005, the security situation in Waziristan has deteriorated, forcing the GOP to rethink its strategy. President Musharraf has articulated a three-pronged approach comprising political initiatives, economic development and military operations that are faster, leaner and more targeted than in the past. The Pakistan military has suffered over 1,000 casualties in the FATA, with particularly heavy fighting during the first week of March, when militants occupied a key town in North Waziristan. We have offered to assist Pakistan's economic development efforts in the FATA

and to provide training and rapid strike capabilities as it

 $\P 15.$ (C) In the aftermath of the July 7 London bombings, President Musharraf cracked down on terrorist/extremist organizations in Pakistan to much public fanfare. We are still assessing whether the President has the will to hold the line against Pakistan's extremist elements for the long run. Initial law enforcement actions targeted the usual suspects -- conservative clerics and Islamist politicians--prompting a strong popular backlash, with conservatives decrying the focus on Islamists. Ultimately, the government released most detainees and watered down regulations intended to provide transparency on madrassa operations. We have repeatedly pressed senior GOP officials to act decisively against the operational leaders of key terrorist and extremist groups, including those involved in earthquake relief efforts in northern Pakistan. We have also encouraged GOP officials to take action against madrassas that support, recruit for, or shelter these organizations.

Balochistan

116. (S) Pakistani leaders are also struggling to cope with an insurgency in the resource-rich province of Balochistan, as local Baloch tribesmen seek to redress historic grievances

ISLAMABAD 00007629 004.2 OF 005

realigns its military tactics.

against Pakistan and seize a greater share of their provincial patrimony. President Musharraf has swung back and forth between civilian advisors who are counseling a negotiated settlement, and military advisors who view the insurgency as an Indian-sponsored threat to national unity that must be suppressed. At the moment, the pendulum appears ready to swing toward the military option. This has clear implications for the military's ability to pursue shared U.S.-Pakistan objectives in the FATA and in the war on terror. Pakistani security forces are already over-stretched along the Afghan border, in North and South Waziristan, and in managing periodic domestic civil unrest such as the cartoon controversy and sectarian tension. An escalation in armed conflict in Balochistan would create an inauspicious political environment in the run-up to national elections next year.

Pakistan Air Force Command Change -----

117. (U) Recently, the Pakistan Air Force has undergone a

leadership change with the appointment of Chief Air Marshal Tanvir to the Chief of the Air Staff position and Air Marshal Shahid to the directors Chief of the Air Staff or Operations position.

Security Assistance: F-16s, C-130s and Joint Exercises

- (C) The Pakistan Air Force (PAF) is obsessed with F-16s. The Ministry of Defense for Production (MODP) submitted restated Letters of Requests for new F-16s (18 with an option for an additional 18 aircraft), Mid-Life Upgrade of Pakistan's existing fleet of 34 F-16 aircraft, 26 Used Block 15 F-16s (preferably Peace Gate III/IV aircraft), and a weapons package. The requested configuration of the new F-16's is: JDAM, AMRAAM, LINK-16, and APG-68(V) 9 radar. The new-buy program, MLU, and weapons packages are fairly well understood; for the used aircraft LOR, however, there is no DOD position on the availability of used Block 15 F-16s (especially former Peace Gate aircraft) for EDA transfers. The request for used F-16 represents the GOP's desire to acquire aircraft at an extreme discount. The GOP remains fixated on the 26 aircraft produced under the Peace Gate III/IV programs, but not delivered to Pakistan due to sanctions (even though a formal settlement was reached with the GOP). These 26 aircraft are currently in the Air Force (test and evaluation) and Navy (aggressor aircraft) active duty fleet and any transfer would require replacements to fill assigned missions.
- 119. (C) The Pakistan Air Force recently concluded a financing deal completing the Swedish Erie-Eye Airborne Early Warning (AEW) aircraft. While the PAF submitted requests for U.S. AEW platforms, the requests never focused on releasable weapon systems (Wedgetail) or focused on AEW systems the PAF previously rejected (E2C). The Pakistan Navy is procuring P-3B AEW aircraft.
- ultimately increasing Pakistan's C-130 fleet to 11 aircraft. Both Air Chief Marshal Tanvir and Air Marshal Shahid are satisfied with the direct engagement of senior USG officials with Lockheed Martin corporate officals regarding the continued failure to meet interim and delivery milestones. Recently, Lockheed Martin met with SAF/IA to explain how it will deliver the remaining four aircraft by the end of December 2006. As background, Prime Minister Aziz expressed concerns about the program to the Secretary of Defense in December, which were underscored by the former Chief of the Pakistan Air Force, Chief Air Marshal Sadat, at the Singapore Air Show. The program is approximately one year behind schedule. Until recently, Lockheed Martin failed to commit sufficient resources to meet restated delivery commitments. While Lockheed Martin is hitting interim milestones, both the PAF and the USG and are taking a wait-and-see attitude. second C-130 was delivered to the Government of Pakistan mid-April 2006.
- 121. (SBU) Joint Exercise Falcon Talon was considered a huge success by the Pakistan Air Force. This represented the

ISLAMABAD 00007629 005.3 OF 005

first USAF and PAF exercise held in Pakistan. The exercise consisted of 6 USAF F-16 aircraft and 8 F-16, 16 Mirage, and 6 F-7 aircraft. The Pakistan Air Force has a significant military to military engagement program. The Pakistan Air Staff was extremely pleased with the recent Combat Search and Rescue and F-16 engagements and is looking forward to the upcoming Flight Safety, Tactical Airspace Management/Air Traffic Control, Electronic Intelligence, and T-37 engagements.